



CORPORATE REALTY

# 2022 GREATER NEW ORLEANS OFFICE MARKET REPORT



# Greater New Orleans Market Overview

Corporate Realty’s Greater New Orleans Office Market Report has provided a comprehensive overview of the New Orleans office market and building-specific information for eleven years. It features narratives on the office submarkets as well as occupancy and rental rates for each office building that contains at least 20,000 rentable square feet (rsf).

There are two changes to the office inventory in this report. We have added 400 Lafayette, a three-story, 47,333-sf building in the Central Business District, as the ownership redeveloped the building and brought it back to market for office space. We have removed the United Way Building, a 34,594-sf building located at 2515 Canal St., as it was purchased to be redeveloped into a medical clinic. We have also updated some listings to reflect new names.

This year we also share insight into the Baton Rouge office market through Branon W. Pesnell, CCIM, SIOR, who oversees our new office located right in the heart of our Capital City.

Corporate Realty has long been involved in projects and transactions that contribute to the growth of our city and region. It is our privilege to share this information each year.

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"New Orleans has seen very few companies move to a fully remote workplace, and as a result, the office leasing market is relatively stable."

## GREATER NEW ORLEANS MARKET OVERVIEW

### A Letter from Our President

As the Greater New Orleans office market moves further past COVID, a few trends are becoming more clearly defined. The office market in 2022 was largely a continuation of trends we saw in 2021: The gradual return of office workers to their potentially reimagined offices, upward pressure on rental rates due to increasing costs both in operating expenses and construction costs, and tenants' desire for flexible lease terms. Occupancy levels varied slightly, down by 1.7 % in the CBD and up by .68 % in East Metairie, but the overall Greater New Orleans office market was marked by relative stability. The biggest issue remains lack of new tenant demand that hopefully will be remedied by a strong national economy, an aggressive recruitment and retention efforts by local economic development entities such as Greater New Orleans, Inc. (GNO, Inc.), New Orleans Business Alliance (NOLABA), and Jefferson Parish Economic Development Commission (JEDCO); strong economic incentives from the state; and the continued uniqueness and charm of living in one of this country's most interesting cities.

The remote work required by the pandemic led to many questioning the future of office space. However, many employers realized that their teams were more productive working in their traditional offices, even if work could more easily occur anywhere. New Orleans has seen very few companies move to a fully remote workplace, and as a result, the office leasing market is relatively stable. While most companies decided that they require office space for their employees, more and more are considering how to use their offices in different ways. For some users, this means that spaces serve as a meeting hub a few days a week. For others, it means that traditional office space will be redeveloped to create more flexibility.

A byproduct of this changing view of the workplace is that companies are investing in their office spaces to make them more attractive to high-quality employees and conducive to general productivity, not just a place to go to work every day. Concurrently, many landlords are coming to the realization that they need to update their buildings to make them more desirable. Lobbies and common areas are being renovated, and more spec suites are being built so that tenants can more efficiently lease office space and do so with shorter lease terms. Additionally, both tenants and landlords are focusing on amenities as ways to attract workers, such as collaborative kitchen/meeting areas.

Along with significant financial investment in upgrading their buildings, landlords continue to experience rising costs in operating expenses, especially insurance, and in rising interest rates on loans. Rental rates in New Orleans have been largely static for almost a decade, but they will have to change as landlords encounter higher inflation, higher operating costs, and higher construction costs. Asking rental rates will increase over the next few years so that landlords can keep up with rising costs and general inflation.

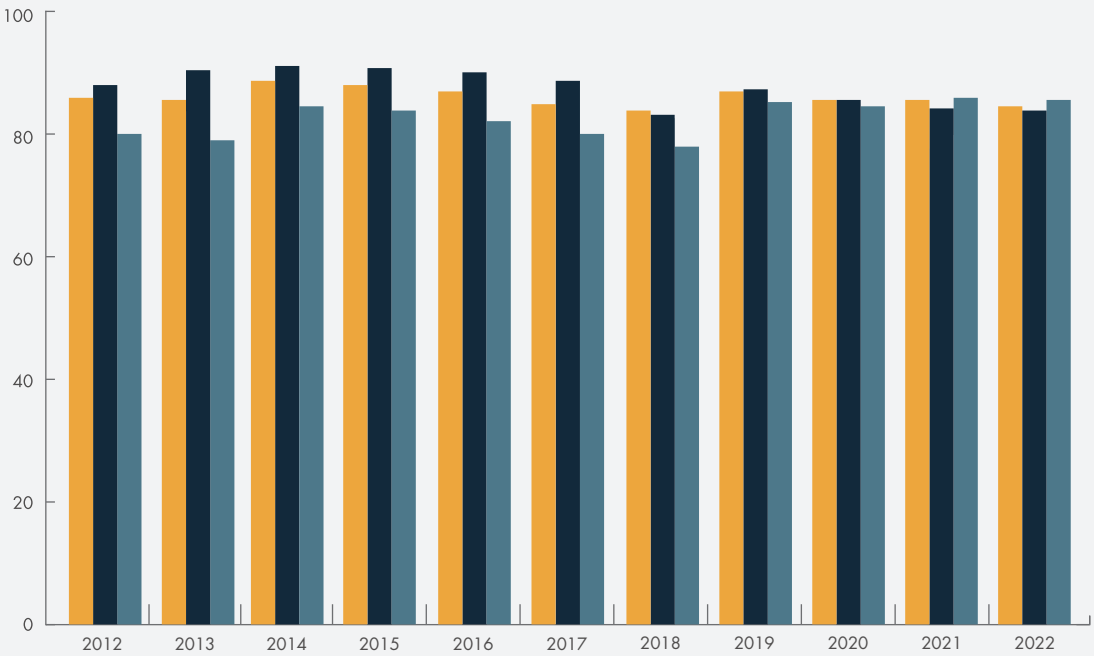
Most of these trends should continue into 2023 as the market settles into this new work dynamic.



**MICHAEL J. SIEGEL, SIOR**

President & Director  
of Office Leasing

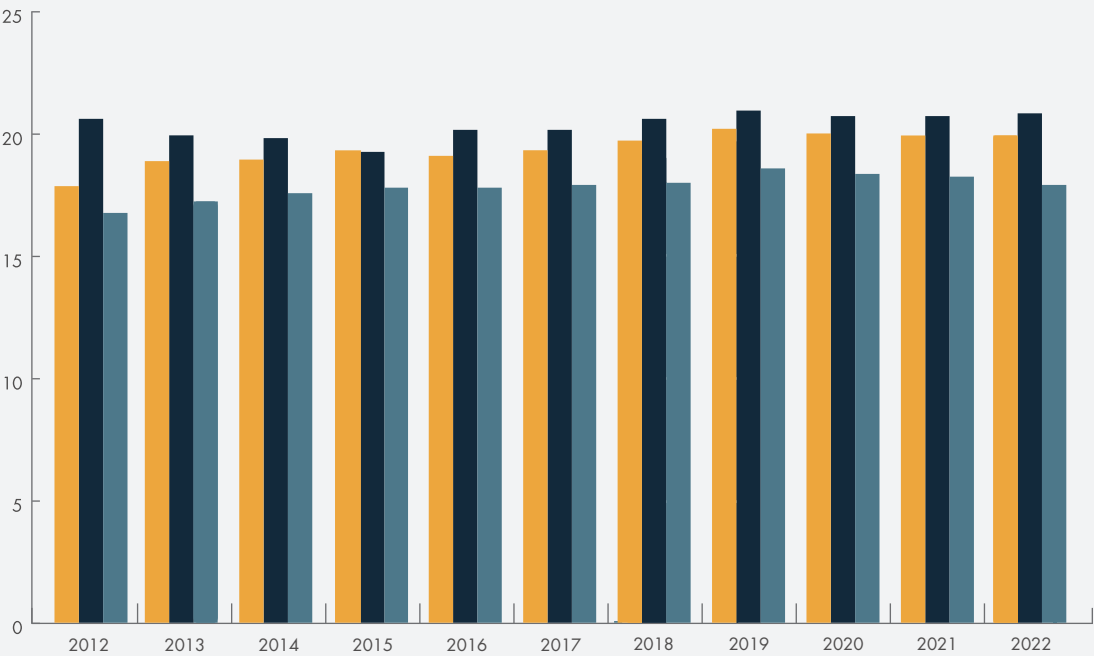
TOTAL AVERAGE OCCUPANCY RATES



Occupancy rates across New Orleans have remained relatively steady. Companies continue to reconsider how they use office space, but almost all have decided that having an office is still important. The amount of space available continues to decrease as buildings are redeveloped for other uses, which also continues to prop up occupancy rates.

- Total
- Class A Buildings
- Non-Class A Buildings

TOTAL AVERAGE RENTAL RATES



Asking rates held steady for many years but are now rising because inflation and other global economic factors are causing operating and construction costs to increase. Landlords throughout the region will have to increase rates to offset these costs.

- Total
- Class A Buildings
- Non-Class A Buildings

SUBMARKETS





# Central Business District

The post-COVID downtown New Orleans office market resembles the pre-COVID downtown office market, only with more open collars and a lot less ties. Occupancies remain relatively unchanged, though the Central Business District continues to experience a wide variety of tenants whose employees come to the office as well as tenants who have accepted a more hybrid work arrangement.

In the summer of 2022, Jones Walker, one of the region's largest law firm, announced that it had renewed its full 151,593-square foot (sf) lease in Place St. Charles for a term extending well into the next decade. This announcement showed not only a commitment to the city and the CBD, but also to Jones Walker's intent to use and occupy all its space. Another positive development in the legal community was the expansion and relocation of Pipes Miles Beckman, from 11,761 sf to a full floor at 24,655 sf in the Energy Centre. The legal industry continues to outpace any other industry in the CBD in its appetite for office space and has become the downtown anchor industry for office space.

Unfortunately, the market also incurred downsizing. DXC, one of the largest tenants in the market, negotiated to give back two floors in 1615 Poydras. The four floors DXC put on the sublease market in 2021 remained available in 2022.

While the Class A CBD office market appeared to lose ground during the past year, that is due a false vacancy created by 1515 Poydras, which announced plans in 2022 to convert 308,000 sf of office space into multi-family residential. This square footage is currently listed in this report as available space, with 1515 Poydras relocating or allowing tenants to vacate. Once construction begins,

the square feet will be removed from the overall inventory of office space in the CBD, accurately reflecting the occupancy rates. Taking this fact into consideration leads to the conclusion that the overall Class A office market occupancies remain largely unchanged. Over the next few years, particularly when interest rates go down, there may be similar conversions in other Class A office buildings as demand for apartments and hospitality surpass demand for office space.

No major office buildings sold in 2022. The average asking rental rate in Class A buildings in 2022 was \$19.81 per square foot (psf). Tenant concessions such as rent abatement and construction allowances varied as to the length of the lease term and the strength of the tenant.

The Non-Class A CBD office market is a small portion of the market as most Non-Class A buildings have been converted to other uses throughout the years. Occupancies in Non-Class A buildings gained about one point from 2021 to an average of 78.44% with average rental rates improving to \$16.93 psf.

Even if occupancy rates drop, asking rates should continue to rise because costs are increasing. Inflation has put upward pressure on operating expenses. Hurricane Ida and other natural disasters have contributed to higher insurance rates. While construction costs are stabilizing, they also increased dramatically during the past two years. Landlords need to recoup those costs via higher rental rates.



**Companies of all sizes are re-evaluating their office needs and configurations to meet the changing times and workforce culture.**

BENNETT K. DAVIS



# Office Submarket

**CLASS A BUILDINGS**

- 1. One Canal Place
- 2. 400 Poydras
- 3. Place St Charles
- 4. Pan-American Life Center
- 5. Hancock Whitney Center

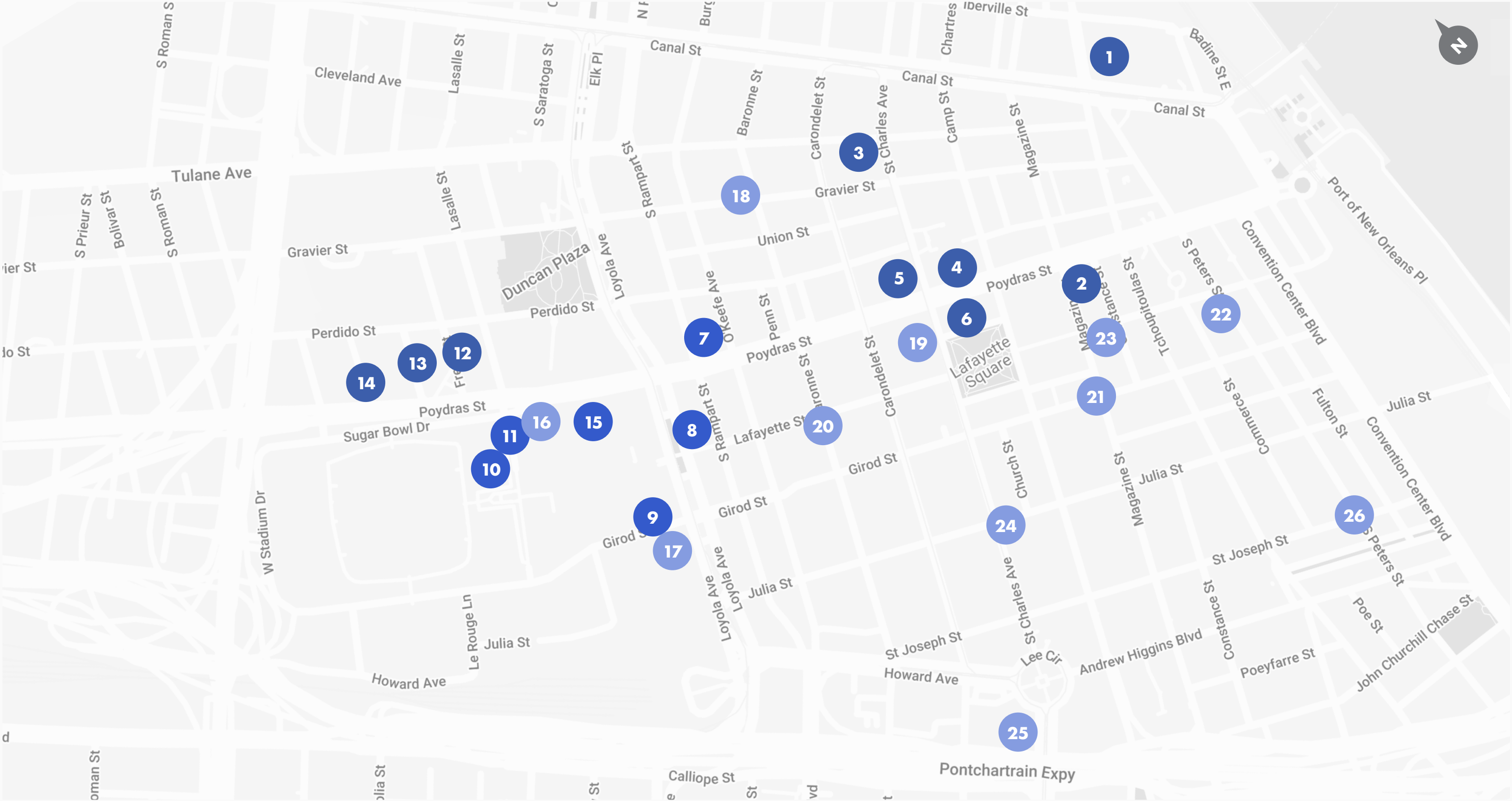
- 6. Poydras Center
- 7. First Bank and Trust Tower
- 8. Energy Centre
- 9. Entergy Building
- 10. Benson Tower
- 11. Benson Tower Annex

- 12. 1515 Poydras
- 13. 1555 Poydras
- 14. 1615 Poydras
- 15. 1250 Poydras

**NON-CLASS A BUILDINGS**

- 16. Orleans Tower
- 17. 701 Loyola
- 18. Exchange Centre
- 19. Federal Reserve Bank of Atlanta
- 20. 615 Baronne Street

- 21. IP Building
- 22. 300 Lafayette Building
- 23. 400 Lafayette
- 24. Emeril's Homebase
- 25. K & B Plaza
- 26. 864 S. Peters







# 2022 SIGNIFICANT LEASES

PLACE ST. CHARLES  
Jones Walker  
renewal 151,593 sf

ENERGY CENTRE  
Pipes Miles Beckham  
expansion and renewal 24,655 sf

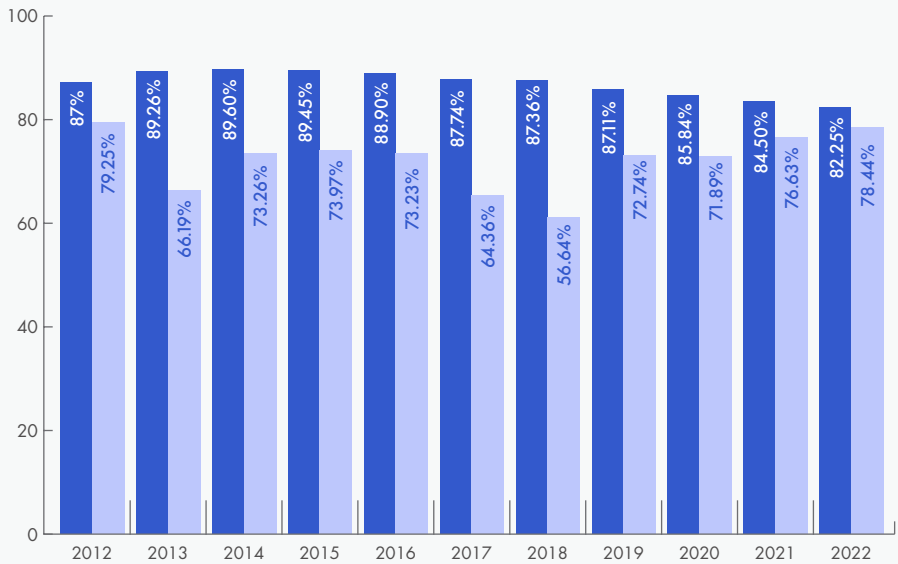
PLACE ST. CHARLES  
Procurement Processing  
expansion and renewal 21,634 sf

ENERGY CENTRE  
Pugh Accardo  
renewal 19,300 sf

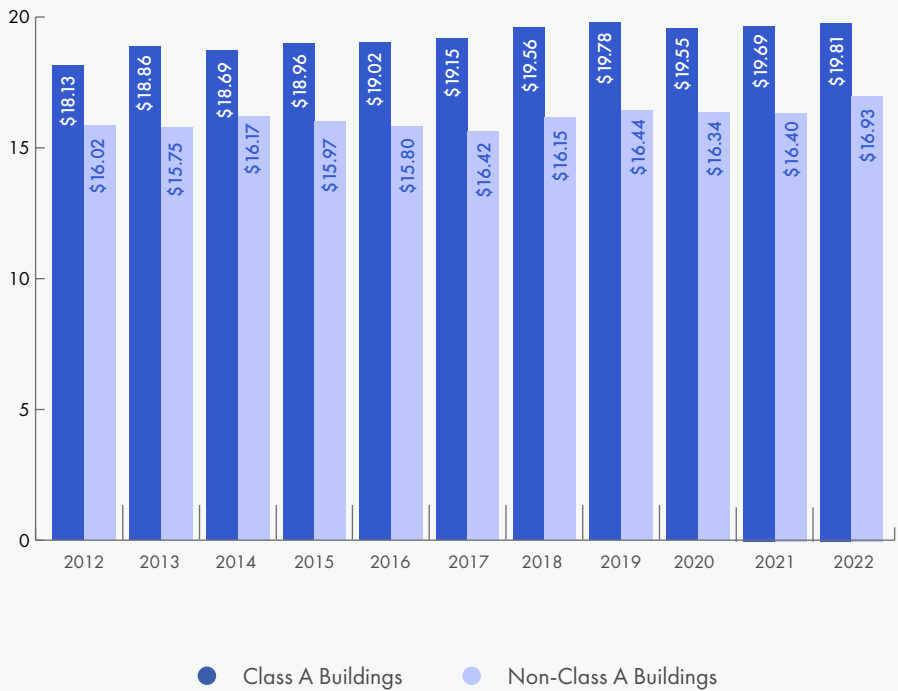
HANCOCK WHITNEY CENTER  
Galloway Johnson  
renewal 17,984 sf

ENERGY CENTRE  
Dudley DeBossier  
new 16,667 sf

## Occupancy Rates



## Rental Rates



## Central Business District Class A

Building Name	Year Built/ Remodeled	Number of Floors	Total RSF	Total RSF Available	Percent Leased	Quoted Rental Rate	Largest Contiguous Block Available	Sublease Space Available
Hancock Whitney Center 701 Poydras St.	1972	51	1,256,991	193,874	84.58%	\$19.00-\$20.00	138,054	0
Place St. Charles 201 St. Charles Ave.	1985	52	1,004,484	135,379	86.52%	\$21.00	36,639	44,964
Energy Centre 1100 Poydras St.	1984	39	761,500	73,652	90.33%	\$19.50	24,665	24,871
Pan-American Life Center 601 Poydras St.	1980	28	671,883	120,609	82.05%	\$19.00	38,160	0
One Canal Place 365 Canal St.	1979	32	630,581	161,069	74.46%	\$19.50-\$21.50	40,000	2,131
400 Poydras 400 Poydras St.	1983	32	608,608	69,241	88.62%	\$17.50-\$20.00	22,594	0
First Bank and Trust Tower 909 Poydras St.	1987	36	545,157	90,401	83.42%	\$19.50-\$21.00	12,900	20,828
Benson Tower 1450 Poydras St.	1989/2011	26	540,208	0	100.00%	\$20.00	0	0
1515 Poydras 1515 Poydras St.	1983	27	529,474	378,542	28.51%	\$19.00-\$20.00	372,304	0
Entergy Corporation Building 639 Loyola Ave.	1983	28	526,041	19,271	96.34%	\$20.00-\$21.50	11,435	0
1615 Poydras 1615 Poydras St.	1984	23	501,741	86,296	82.80%	\$19.00	22,565	89,114
1555 Poydras 1555 Poydras St.	1982	22	467,671	150,634	67.79%	\$19.00-\$20.00	60,059	0
Poydras Center 650 Poydras St.	1983	28	453,256	91,977	79.71%	\$18.50-\$20.00	8,600	0
1250 Poydras Building 1250 Poydras St.	1980	24	422,899	32,505	92.31%	\$19.50-\$21.50	8,630	0
Benson Tower Annex 1400 Poydras St.	1989/2016	3	115,000	0	100.00%	\$20.00	0	0
TOTAL CLASS A			9,035,494	1,603,450	82.25%	\$19.81		181,908

## Central Business District Non-Class A

Orleans Tower 1340 Poydras St.	1977	21	378,895	84,030	77.82%	\$15.00	17,590	0
Exchange Centre 935 Gravier St.	1983	21	355,274	83,926	75.79%	\$16.50-\$17.00	20,000	0
701 Loyola Ave.	1964	14	234,067	77,652	66.82%	\$13.50	35,200	0
The Federal Reserve Bank of Atlanta 525 St. Charles Ave.	1966	5	100,000	0	100.00%	\$23.00	0	0
IP Building 643 Magazine St.	1900	4	83,974	4,459	94.69%	\$16.50-\$18.75	4,559	0
K & B Plaza 1055 St. Charles Ave.	1962	7	70,000	4,555	93.49%	\$20.00-\$21.00	0	0
400 Lafayette* 400 Lafayette St.	1922/2022	3	47,333	35,058	25.93%	\$23.00	18,321	0
Emeril's Homebase 839 St. Charles Ave.	1910/1996	3	43,403	4,431	90.00%	\$16.75-\$18.00	4,431	0
864 S. Peters St.	2016	5	39,815	0	100.00%	\$25.00	0	0
615 Baronne St.	1910	3	25,096	7,230	71.19%	\$16.00-\$18.00	5,401	0
300 Lafayette Building 300 Lafayette St.	1910/1984	2	20,000	0	100.00%	\$19.50	0	0
TOTAL NON-CLASS A			1,397,857	301,341	78.44%	\$16.93		0
TOTAL CBD			10,433,351	1,904,791	81.74%	\$19.42		181,908



# Orleans Parish, Non-CBD

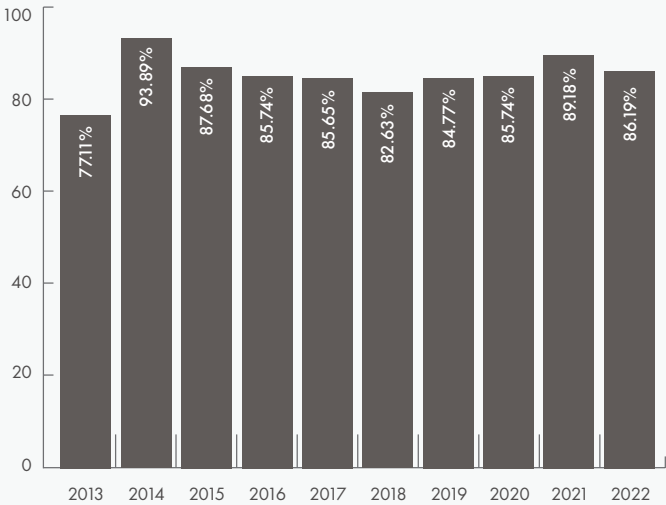
Over the past year, demand for non-traditional office spaces in New Orleans has continued to increase, reflecting the changing office configurations and workforce needs of businesses not only in this market but across the country. With greater focus on flexibility and work-life balance, companies of all sizes are looking for creative options to better serve their employees. Landlords cater to this increased interest by improving office spaces to make them more attractive for users. While these spaces remain harder to come by and more expensive, the benefits make them attractive for companies looking for alternatives to the CBD high-rise options. In the New Orleans market, tenants turn to neighborhoods that offer easier access, more affordable office parking, and more interesting office environments.

Much of the availability in this market can be found at The Beach at UNO, a 600,000-rsf office park that combines office and lab space adjacent to the University of New Orleans. The expansive green space, ample parking, and convenient location are strong draws. Additionally, the University encourages companies leasing space at

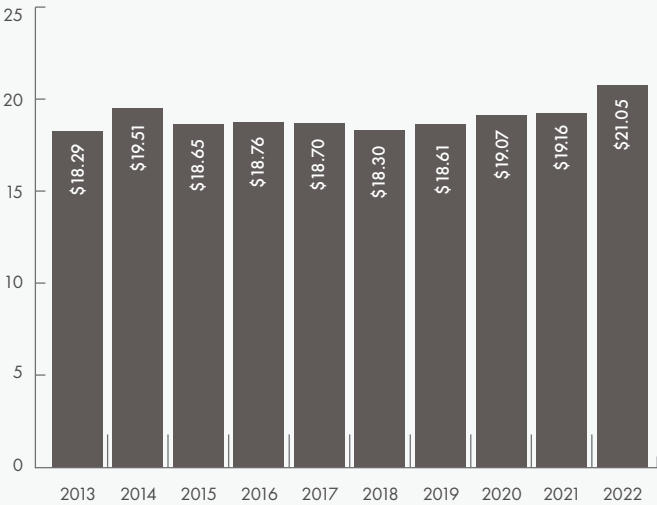
The Beach to utilize the university's resources, making it an attractive option for businesses focused on research. Growth in this recently reinvigorated community is predicted to continue through the launch of new programs and initiatives. The Beach includes the Center of Energy Resources Management, Information Technology Centers 1-4, and the Advanced Technology Center. The rental rates of these buildings are included in the submarket average for the first time in this report, causing an increase in the averages.

Beyond The Beach, there remains limited new office development. Some businesses that own and occupy their own buildings are reevaluating their needs, which may result in space coming to market in 2023 that could then provide additional opportunities. One new development scheduled for completion in 2023 is the historic redevelopment project at 4528 Freret Street. The building offers 20,000 rsf of premium office space, and, if successful, could help pave the way for future office redevelopments outside of the CBD.

Occupancy Rates



Rental Rates



## Orleans Parish, Non-CBD

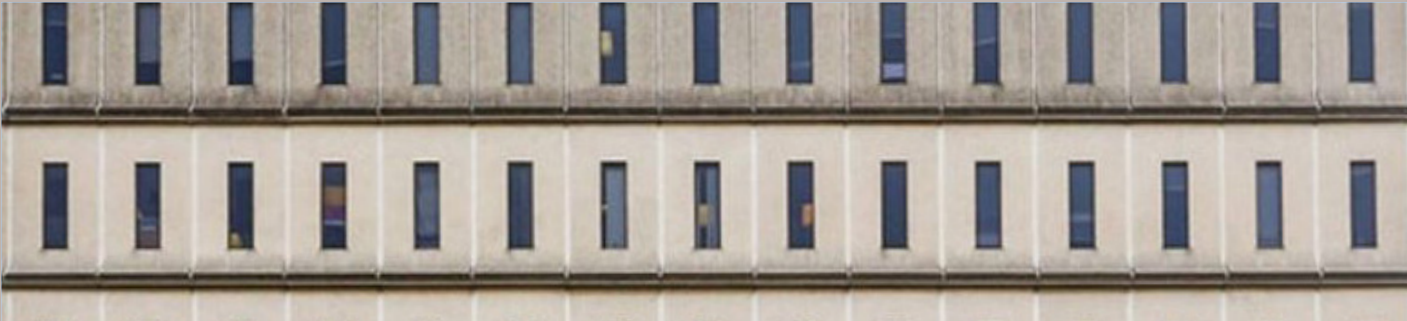
Building Name	Year Built/ Remodeled	Number of Floors	Total RSF	Total RSF Available	Percent Leased	Quoted Rental Rate	Largest Contiguous Block Available	Sublease Space Available
1215 Prytania Building 1215 Prytania St.	1952/2006	5	119,269	11,331	90.48%	N/A	3,500	0
Executive Plaza 10001 Lake Forest Blvd.	1974/2020	11	114,650	33,000	71.22%	\$16.00	11,000	0
Center for Energy Resources Management 2045 Lakeshore Dr.	2002	5	104,506	20,901	80.00%	\$20.00-\$25.00	2,500	0
Information Technology Ctr #1 2219 Lakeshore Dr.	2002	5	103,943	31,183	70.00%	\$23.00-\$25.00	8,788	0
Information Technology Ctr #2 2233 Lakeshore Dr.	1998	5	103,943	0	100.00%	\$23.00-\$25.00	0	0
Information Technology Ctr #3 2251 Lakeshore Dr.	1999	5	103,943	0	100.00%	\$23.00-\$25.00	0	0
Information Technology Ctr #4 2285 Lakeshore Dr.	2000	5	103,943	0	100.00%	\$23.00-\$25.00	0	0
Tulane Tower 2601 Tulane Ave.	1971	10	89,376	18,375	79.44%	\$19.00-\$20.00	9,200	0
Advanced Technology Center 2021 Lakeshore Dr.	2001	5	78,860	15,772	80.00%	\$23.00-\$25.00	15,500	0
Mid-City Center 320 N. Carrollton Ave.	1925/2006	2	48,000	0	100.00%	\$24.00	0	0
1231 Prytania Building 1231 Prytania St.	1967	6	48,000	21,120	66.00%	\$20.00	8,000	0
Smith Lupo Center 145 Robert E. Lee Blvd.	1971/2006	5	38,000	0	100.00%	\$18.50-\$19.00	0	0
101 W. Robert E. Lee Blvd.	1982/2008	4	33,380	0	100.00%	\$19.50	0	0
4640 S. Carrollton Ave.	1950	2	26,142	1,047	95.99%	\$18.00-\$20.00	1,047	0
Lake Willow Professional Building 7240 Crowder Blvd.	1980/2011	4	24,000	4,755	80.19%	\$23.00	4,755	0
TOTAL			1,139,955	157,484	86.19%	\$21.05		0

\* The United Way Building has been removed because it is being redeveloped as a medical clinic.



This submarket contains a variety of office buildings in different neighborhoods across the city. The numbers show that there remains a growing interest in properties outside the CBD.

ANDREA A. HUSEMAN, CCIM





# East Metairie

The East Metairie office market in 2022 was much like 2021, in that while not much changed in occupancy, tenants continued to review the size of their offices, making decisions about upgrade spaces or relocating to better positioned buildings, to entice their employees to return to the office. Historically, there has not been significant migration by tenants in the Orleans Parish CBD to the suburban markets, but there was an increase in companies doing so in 2022. The largest new lease in the East Metairie office market was a New Orleans CBD tenant, Cox Operating, which relocated from 1615 Poydras to Lakeway Center. Factors impacting rental rates (increasing operating and insurance costs, construction costs to build out suites, and interest rates) will continue to push rental rates higher, forcing tenants to lock in longer term leases to mitigate the effects of inflation.

Executive Tower, a 185,000-sf building, and its adjoining land are being marketed for sale; the property is 90% leased and last sold in 2018 for approximately \$98 psf. As well, Heritage Plaza, owned by Stewart Capital, who developed the building in 1983, is now for

sale. The 353,000-sf building on a ground lease is located on the Jefferson/Orleans parish line and is 87% leased.

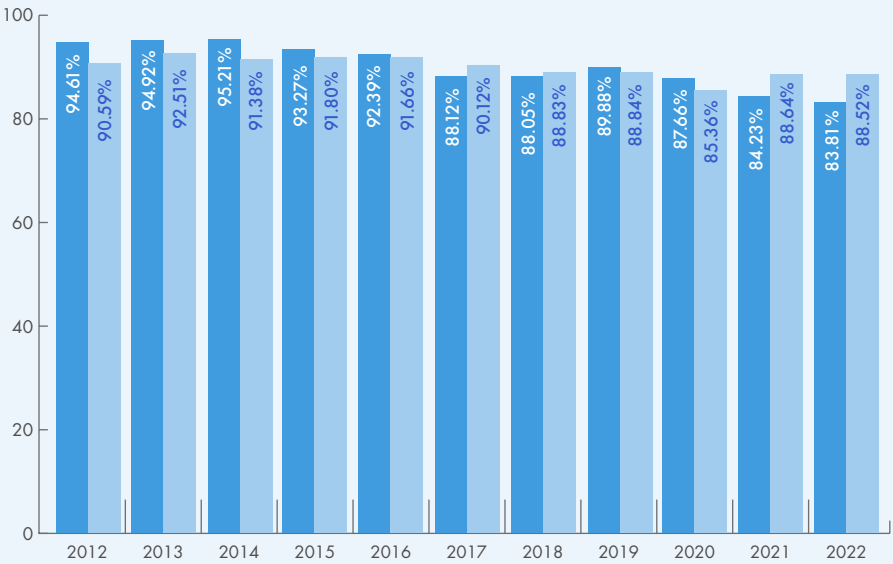
The 2023 East Metairie office market will continue to see employers endeavoring to get employees back to the office full time by improving their work environments. With no new major office buildings since 1985, building owners are recognizing the importance of updates to their properties to keep their tenants happy and attract new tenants. The Feil Organization, the landlord of a diverse office portfolio in the Greater New Orleans, has begun a renovation plan that focuses on common spaces and the build out of spec suites, ready for tenant move in, for properties like Lakeway Center, Galleria and Causeway Plaza. Employee scarcity, work from home, the migration of tenants between markets, and company activity, such as relocating offices from Louisiana to other states will continue to impact the greater office market.



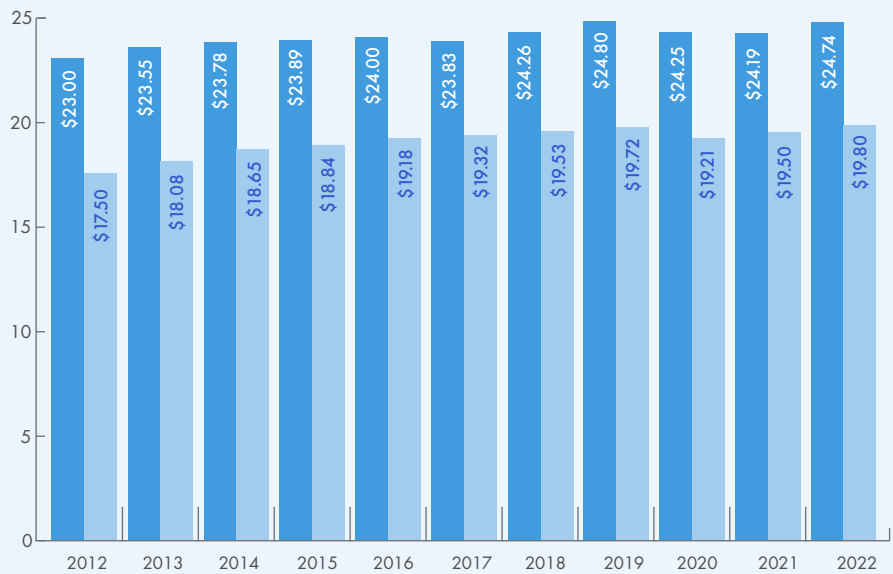
**The East Metairie submarket continues to attract and retain tenants because of its central location within the region and the plentiful parking afforded by buildings in this market.**

BRUCE SOSSAMAN, SIOR

Occupancy Rates



Rental Rates



● Class A Buildings    ● Non-Class A Buildings



## 2022 SIGNIFICANT LEASES

CAUSEWAY PLAZA III  
Worley  
renewal 38,181 sf

CAUSEWAY PLAZA I  
Hub  
renewal 27,643 sf

THREE LAKEWAY DRIVE  
Cox Operating  
new 24,490 sf

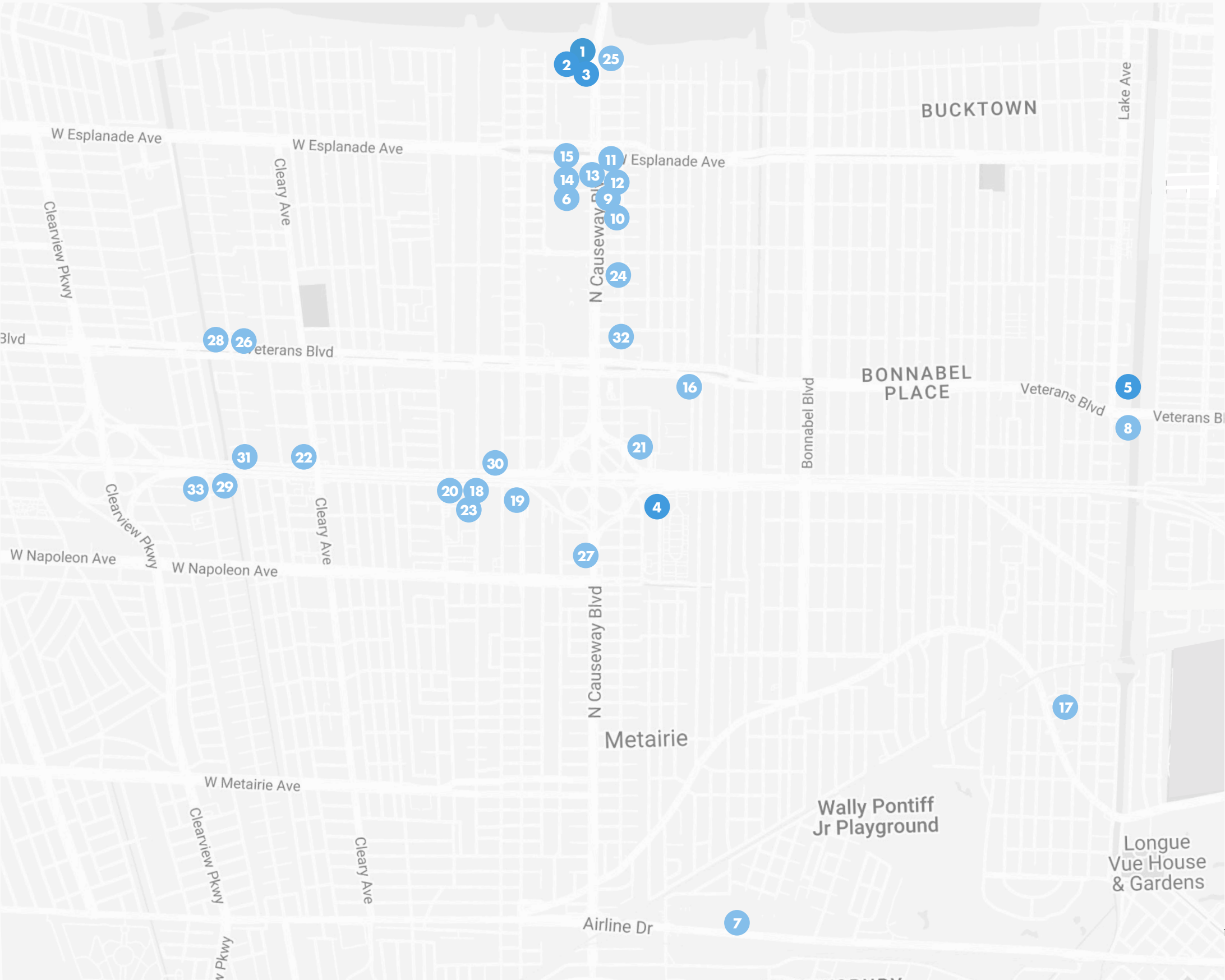
THREE LAKEWAY DRIVE  
Maritime Partners  
expansion and renewal 19,900 sf

HERITAGE PLAZA  
Wegmann Dazet  
expansion and renewal 18,500 sf

# Office Submarket

- Class A Buildings**
- 1. One Lakeway Center
  - 2. Two Lakeway Center
  - 3. Three Lakeway Center
  - 4. Galleria
  - 5. Heritage Plaza

- Non-Class A Buildings**
- 6. Executive Tower
  - 7. Burns and Wilcox Center
  - 8. 110 Veterans Building
  - 9. 3445 N. Causeway Blvd.
  - 10. 3421 N. Causeway Blvd.
  - 11. Regions Bank Building
  - 12. 3501 N. Causeway Blvd.
  - 13. Causeway Plaza I
  - 14. Causeway Plaza II
  - 15. Causeway Plaza III
  - 16. Latter Center West
  - 17. Metairie Tower
  - 18. Metairie Centre
  - 19. Severn Place
  - 20. 3636 S. I-10 Service Rd.
  - 21. 3131 N. I-10 Service Rd.
  - 22. Favrot & Shane Building
  - 23. 3616 S. I-10 Service Rd.
  - 24. 3200 Ridgelake Building
  - 25. 3939 N. Causeway Blvd.
  - 26. Coldwell Banker Building
  - 27. Causeway West
  - 28. 4141 Veterans Blvd.
  - 29. The Boy Scouts Building
  - 30. Crutcher-Tufts Building
  - 31. NY-II Office Building
  - 32. 2900 Ridgelake Dr.
  - 33. FGS Building







East Metairie Class A

Building Name	Year Built/ Remodeled	Number of Floors	Total RSF	Total RSF Available	Percent Leased	Quoted Rental Rate	Largest Contiguous Block Available	Sublease Space Available
Three Lakeway Center 3838 N. Causeway Blvd.	1987	34	471,745	94,885	79.89%	\$24.50-\$26.50	27,000	0
Galleria One Galleria Blvd.	1986	22	465,985	70,175	84.94%	\$24.00-\$25.00	18,202	0
Two Lakeway Center 3850 N. Causeway Blvd.	1984	19	449,309	56,645	87.39%	\$24.50-\$25.50	24,000	0
Heritage Plaza 111 Veterans Blvd.	1983	18	353,003	47,354	86.59%	\$23.00-\$24.00	14,183	0
One Lakeway Center 3900 N. Causeway Blvd.	1981	14	300,816	61,450	79.57%	\$24.50-\$25.50	26,000	0
TOTAL CLASS A			2,040,858	330,509	83.81%	\$24.74		0
TOTAL EAST METAIRIE			4,204,335	578,842	86.23%	\$22.24		12,211

East Metairie Non-Class A

Building Name	Year Built/ Remodeled	Number of Floors	Total RSF	Total RSF Available	Percent Leased	Quoted Rental Rate	Largest Contiguous Block Available	Sublease Space Available
Executive Tower 3500 N. Causeway Blvd.	1972	14	188,420	18,942	89.95%	\$20.50-\$21.00	7,631	0
Regions Bank Building 3525 N. Causeway Blvd.	1973/2018	10	129,566	38,870	70.00%	\$16.50-\$17.00	6,318	3,302
110 Veterans Building 110 Veterans Blvd.	1972	5	129,407	8,845	93.16%	\$19.50	3,855	0
3445 N. Causeway Blvd.	1969	10	127,887	23,200	81.86%	\$19.00-\$20.00	13,102	0
3421 N. Causeway Blvd.	1973	10	124,371	5,149	95.86%	\$19.50	3,169	0
Burns and Wilcox Center 2121 Airline Dr.	1987	6	123,360	8,426	93.17%	\$22.00	4,884	1,457
3501 N. Causeway Blvd.	1973	10	112,741	19,948	82.31%	\$19.50-\$21.00	11,879	0
Causeway Plaza I 3510 N. Causeway Blvd.	1982	6	108,718	11,535	89.39%	\$20.00-\$21.00	7,426	7,452
Causeway Plaza II 3300 W. Esplanade Ave.	1982	6	108,718	23,562	78.33%	\$20.00-\$21.00	12,096	0
Causeway Plaza III 3330 W. Esplanade Ave.	1983	6	108,718	682	99.37%	\$20.00-\$21.00	682	0
Latter Center West 2800 Veterans Blvd.	1978	3	96,979	18,975	80.43%	\$20.00-\$23.00	10,349	0
Metairie Tower 433 Metairie Rd.	1970	6	94,083	4,807	94.89%	\$21.00-\$22.50	4,807	0
Metairie Centre 2424 Edenborn Ave.	1986	6	90,657	6,457	92.88%	\$18.50	2,807	0
Seyvern Place 2450 Seyvern Ave.	1982	5	85,828	18,428	78.53%	\$19.50	13,242	0
3636 S. I-10 Service Rd.	1980/2017	3	60,000	0	100.00%	\$20.00	0	0
3131 N. I-10 Service Rd.	1979/2009	4	48,250	0	100.00%	\$19.50	0	0
Favrot & Shane Building 3925 N. I-10 Service Rd.	1981	2	44,992	1,426	96.83%	\$20.00-\$22.75	807	0
3616 S. I-10 Service Rd. (owner occupied)	1979/2015	2	40,000	0	100.00%	N/A	0	0
3200 Ridgelake Building 3200 Ridgelake Dr.	1984	4	40,000	0	100.00%	\$16.00	0	0
3939 N. Causeway Blvd.	1979/2017	4	40,000	0	100.00%	\$18.50-\$19.50	0	0
Coldwell Banker Building 4051 Veterans Blvd.	1970	4	40,000	8,000	80.00%	\$15.00	4,600	0
Causeway West 3229 36th St.	1974	2	40,000	10,000	75.00%	\$17.50	10,000	0
4141 Veterans Blvd.	1969	3	32,755	0	100.00%	\$20.00	0	0
The Boy Scouts Building 4200 S. I-10 Service Rd.	1984	2	31,947	0	100.00%	\$14.50	0	0
NY-II Office Building 2750 Lake Villa Dr.	1985/2013	3	30,114	0	100%	\$21.00-\$22.00	0	0
Crutcher-Tufts Building 3545 N. I-10 Service Rd.	1970/2006	3	30,940	20,111	35.00%	\$20.00-\$21.00	9,848	0
2900 Ridgelake Dr.	1982	4	30,000	0	100.00%	N/A	0	0
FGS Building 4300 S. I-10 Service Rd.	1981	2	25,026	970	96.12%	\$20.00-\$24.50	620	0
TOTAL NON-CLASS A			2,163,477	248,333	88.52%	\$19.80		12,211
TOTAL EAST METAIRIE			4,204,335	578,842	86.23%	\$22.24		12,211

# West Metairie / Kenner

This submarket has seen the highest increase in quoted rental rates, in large part due to renovations and increased operating costs to better meet the needs of companies. Riverside I and Riverside II were acquired at the end of 2022 by Benson Capital. Newly renamed Riverside Park, there are plans for other improvements, including amenities and move-in ready suites for tenants. As a result, the asking rates for this property are increasing from what have historically been on the lower end of the market.

The owners of the Metairie Bank Building recently completed a renovation, which increased the quoted rental rate from \$13.00 psf to \$19.00 psf.

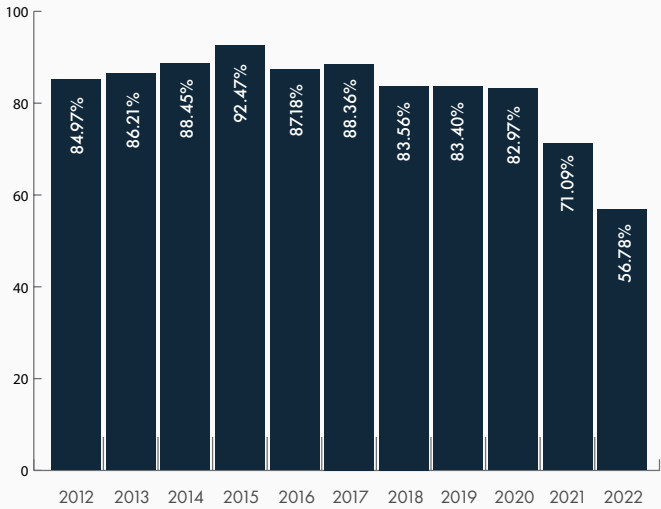
These renovations and subsequent increases, along with increased operating expenses from all landlords, is pushing the quoted rental rate substantially higher in this submarket.



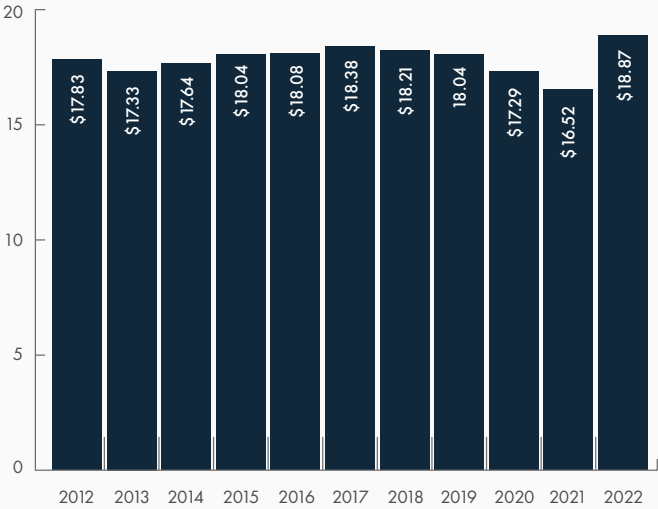
**Damage from Hurricane Ida created an opportunity for some of the landlords in West Metairie / Kenner to upgrade their buildings, and others are following suit. These developments are making the buildings more attractive and causing an increase in rates.**

SCOTT GRAF, CCIM

Occupancy Rates



Rental Rates



## West Metairie / Kenner

Building Name	Year Built/ Remodeled	Number of Floors	Total RSF	Total RSF Available	Percent Leased	Quoted Rental Rate	Largest Contiguous Block Available	Sublease Space Available
2400 Veterans Blvd.	1982	5	133,195	58,221	56.21%	\$18.50-\$19.00	21,039	10,000
6620 Riverside Dr. *	1983	3	58,057	15,392	73.49%	\$19.00-\$20.00	5,434	0
2200 Veterans Building 2200 Veterans Blvd.	1985	2	44,874	7,809	82.60%	\$16.25-\$19.50	2,399	0
6660 Riverside Dr. **	1980	3	32,181	21,333	33.71%	\$19.00-\$20.00	11,810	0
Metairie Bank Building 7809 Airline Dr.	1967	3	23,250	23,250	0.00%	\$19.00	7,750	0
TOTAL			291,557	126,005	56.78%	\$18.87		10,000

\* Formerly known as Riverside II  
\*\* Formerly known as Riverside I





# Elmwood

While industrial operations remain prominent in Elmwood, the transformation of the area from an industrial park to a mixed-use neighborhood has made it more attractive for office users. The office market is largely supportive of industrial functions, as well as institutional tenants like General Service Administrations (GSAs) and Jefferson Parish governmental offices.

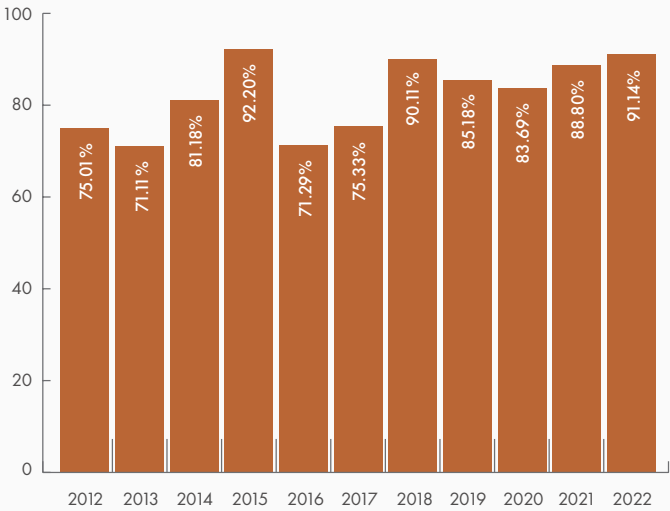
The Elmwood office submarket offers a distinct type of product compared to other submarkets, with larger floor plates and more parking. This also means pricing and occupancy rates are less dependent on what is happening in the wider market.



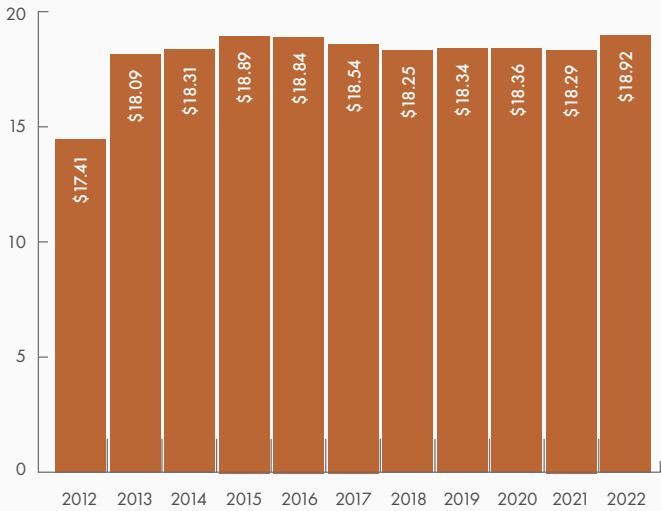
The redevelopment of Elmwood from an industrial park to more of a mixed-use neighborhood has taken place over the past decade. The increased number of residential units, restaurants, and other amenities has made this a more attractive place to work.

JEFFREY D. COHN

Occupancy Rates



Rental Rates



## Elmwood

Building Name	Year Built/ Remodeled	Number of Floors	Total RSF	Total RSF Available	Percent Leased	Quoted Rental Rate	Largest Contiguous Block Available	Sublease Space Available
Elmwood Tower 1201 Elmwood Park Blvd.	1982	10	205,313	0	100.00%	N/A	0	0
5401 Jefferson Hwy.	1982	1	100,000	2,500	97.50%	\$16.00-\$20.00	0	0
880 Commerce Rd. West	1979	5	93,629	37,433	60.02%	\$18.50	18,346	10,138
800 Commerce Rd. West	1970	5	91,628	12,762	86.07%	\$19.50	5,273	0
Corporate International Building 1333 S. Clearview Pkwy.	1974	5	90,000	0	100.00%	N/A	0	0
990 N. Corporate Park Rd.	1979	3	56,065	10,311	81.61%	\$18.50	5,200	0
800 Commerce Rd. East	1979	3	53,024	0	100.00%	N/A	0	0
824 Elmwood Park Blvd.	1984	2	39,355	1,586	95.97%	\$21.50	1,586	0
TOTAL			729,014	64,592	91.14%	\$18.92		10,138



# Northshore

The Northshore has continued to grow, both with new residents and new businesses. Rental and occupancy rates in this submarket are consistently the highest in the region, and they will remain so as landlords consider how to incorporate increasing operating expenses and construction costs to meet the steady demand.

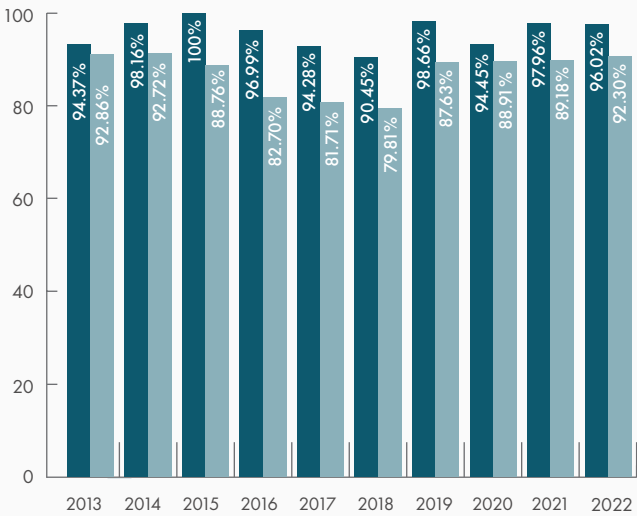
Much of the current available space in this submarket is in a few contiguous spaces that were previously occupied by large national companies that re-thought their real estate requirements. Smaller spaces (less than 5,000 sf) generally turn over quickly.



Over the past ten years, the Northshore has been the site of almost all new office development in the region. While there were no new buildings added to the market in 2022, the trend of new, the trend of new commercial development continues to meet the continued growth of residential development.

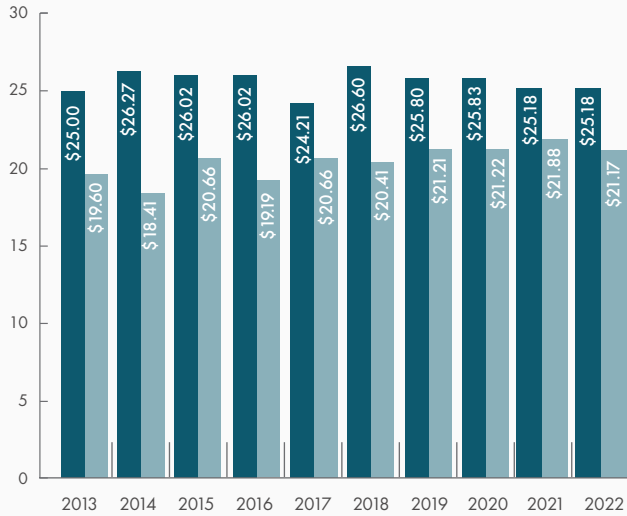
RANDALL R. WHITE

Occupancy Rates



● Class A Buildings    ● Non-Class A Buildings

Rental Rates



## Northshore Class A

Building Name	Year Built/Remodeled	Number of Floors	Total RSF	Total RSF Available	Percent Leased	Quoted Rental Rate	Largest Contiguous Block Available	Sublease Space Available
Chevron Building 100 Northpark Blvd.	2009	4	290,500	0	100.00%	N/A	0	0
Northpark Corporate Center 109 Northpark Blvd.	1986	5	103,222	19,026	81.57%	\$26.00	19,026	0
Cypress Bend Office Building 1001 Ochsner Blvd.	2009	4	99,809	0	100.00%	\$26.00	0	0
Gray Insurance Building 1625 W. Causeway Approach	2006	2	55,000	8,081	85.31%	\$24.00	8,081	0
Offices at River Chase 16564 E. Brewster Rd.	2017	2	42,671	0	100.00%	\$22.00	0	0
300 Holiday Square Blvd.	2007	3	40,500	0	100.00%	\$26.00	0	0
Bodet Place I 1155 Hwy. 190 E. Service Rd.	2016	4	50,000	0	100.00%	N/A	0	0
TOTAL CLASS A			681,702	27,107	96.02%	\$25.18		0

## Northshore Non-Class A

1010 W. Gause Blvd.	1968	2	100,000	0	100.00%	N/A	0	0
Northpark Corporate I 103 Northpark Blvd.	1998	3	69,905	0	100.00%	N/A	0	0
Resource Bank Building 5100 Village Walk	2001	3	43,405	10,211	76.48%	\$20.00	6,000	0
830 West Causeway Approach	2006	2	40,000	0	100.00%	\$24.00-\$25.00	0	0
3840 Emerald Rd.	N/A	4	40,268	15,460	62.00%	\$22.00	0	0
Zen-Noh Grain Building 1127 Hwy. 190 E. Service Rd.	2002	3	39,000	0	100.00%	N/A	0	0
Greengate One Office Building 1330 Greengate Dr.	2014	3	36,908	0	100.00%	\$21.00	0	0
Greengate Two Office Building 1404 Greengate Dr.	2016	3	35,386	0	100.00%	\$21.00	0	0
800 N. Causeway Blvd.	2001	2	38,858	3,480	91.04%	\$16.50	3,480	0
Loop Building 137 Northpark Blvd.	2009	2	30,000	0	100.00%	N/A	0	0
205 Holiday Blvd	1988	2	28,885	14,000	48.47%	\$18.00	14,000	0
Northlake Corporate Center 1001 Hwy. 190 E. Service Rd.	1984/2007	2	28,800	1,776	93.83%	\$22.00	1,776	0
No. 2 Sanctuary Blvd. Building 2 Sanctuary Blvd.	1998	3	21,000	1,240	98.00%	\$22.00	1,240	0
No. 3 Sanctuary Blvd Building 3 Sanctuary Blvd.	2000	3	21,000	0	100.00%	\$22.00	0	0
No. 4 Sanctuary Blvd. Building 4 Sanctuary Blvd.	2004	3	21,000	2,800	86.00%	\$22.00	2,800	0
No. 5 Sanctuary Blvd. Building 5 Sanctuary Blvd.	2006	3	21,000	0	100.00%	\$22.00	0	0
The Allstate Building 111 Park Place	1998	1	20,153	0	100.00%	\$25.00	0	0
TOTAL NON-CLASS A			635,568	48,967	92.30%	\$21.17		0
TOTAL NORTHSORE			1,317,270	76,074	94.22%	\$23.02		0



# West Bank

The occupancy rates within the West Bank remained stable. Smaller tenants (less than 5,000 sf) that are based in the immediate area actively occupied most of the smaller spaces.

Like most other companies, LCMC Health System, which occupies the entire 108,889 sf WestPark Office Building, has been re-evaluating their office space needs. For a few months in 2022, they

marketed one of the floors of this building as a sublease opportunity. However, they decided that while their needs maybe changing, they still can utilize the space and removed the space from the market.

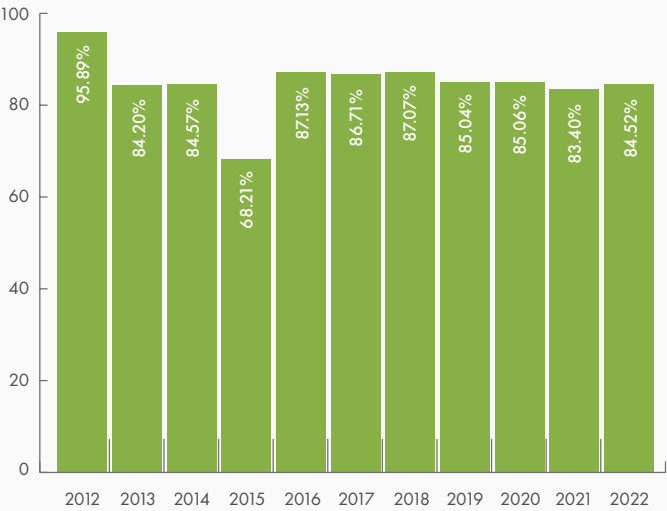
Rental rates have traditionally stayed fairly consistent in the West Bank, but they are increasing in this submarket as well.



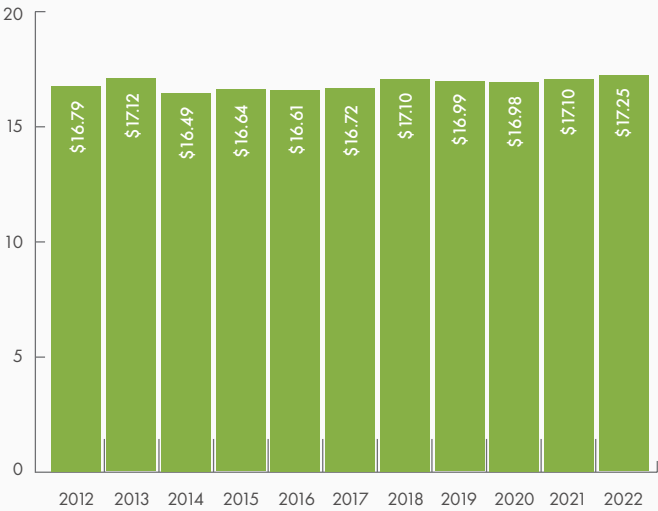
While physically close to the New Orleans CBD, the West Bank remains a tertiary office market within the region because it is on the other side of the Mississippi River. The buildings on the West Bank are mostly occupied by companies that are based in and serve the immediate area.

AUSTIN LAVIN, CCIM

Occupancy Rates



Rental Rates



## West Bank

BUILDING NAME	YEAR BUILT/ REMODELED	NUMBER OF FLOORS	TOTAL RSF	TOTAL RSF AVAILABLE	PERCENT LEASED	QUOTED RENTAL RATE	LARGEST CONTIGUOUS BLOCK AVAILABLE	SUBLEASE SPACE AVAILABLE
Oakwood Corporate Center 401 Whitney Ave.	1985	6	132,550	47,036	64.51%	\$19.50-\$20.50	11,487	0
Timbers Office Building 3520 General De Gaulle Dr.	1985	5	128,163	19,585	84.72%	\$14.00	20,942	0
Westpark Office Building 1 Seine Ct.	1983	6	108,889	0	100.00%	\$18.00	0	0
Manhattan Place 2439 Manhattan Blvd.	1978	5	62,066	3,379	90.56%	\$16.00-\$17.50	2,083	0
2550 Belle Chasse Hwy.	1983	3	45,000	3,000	93.33%	\$16.50	3,000	0
Stone Plaza 1601 Belle Chasse Hwy.	1984	3	32,653	4,700	85.61%	\$17.00	3,200	0
MacArthur Professional Building 3712 MacArthur Blvd.	1982	2	27,766	0	100.00%	\$18.00	0	0
Cypress Park 405 Gretna Blvd.	1976	2	24,248	9,555	60.59%	\$18.00-\$20.00	2,127	0
Marrero Land Office Plaza 5201 Westbank Expy.	1971	4	23,310	2,263	86.00%	\$15.00-\$18.00	2,600	0
TOTAL WEST BANK			584,645	90,518	84.52%	\$17.25		0



# St. Charles Parish

The connection between the St. Charles Parish office market and the surrounding industrial usage is significant. The steady industrial activity creates demand for certain types of offices and provides a stable local base for both companies and workers. This not only contributes to the strength of the local economy, but it keeps available inventory low and rates steady.

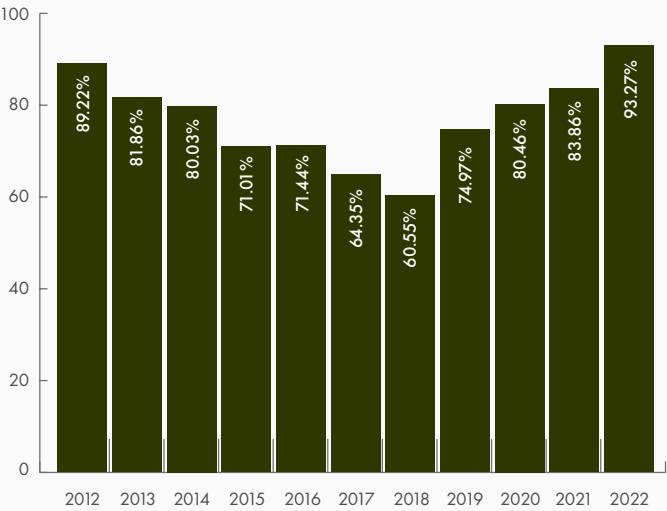
Notable activity has included the recent leasing of a vacant floor in the Kongsberg Maritime Building that was built in 2016. This 28,000-sf floor was to serve as expansion space but remained vacant and has accounted for almost 11% of the available space in the submarket. It will now be home to PosiGen who relocated from Jefferson Parish.



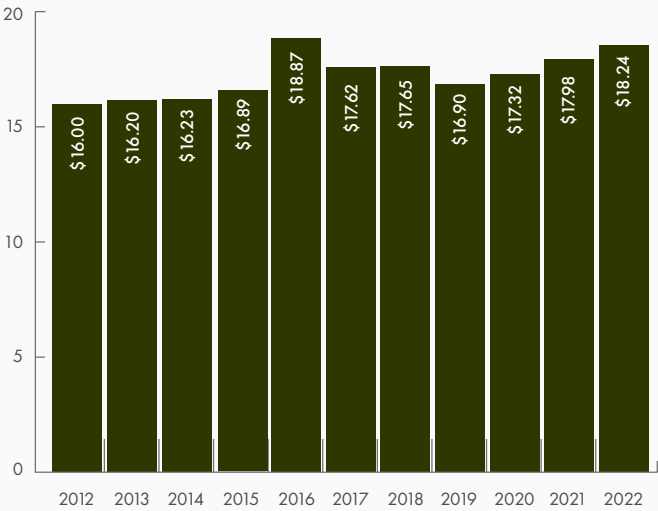
**Occupancy rates in St. Charles Parish increased dramatically with the leasing of the 28,000-sf vacancy in the Kongsberg Maritime Building. There only remains 17,266 sf in a handful of suites available.**

DONNA WHALEN LITTLE

Occupancy Rates



Rental Rates



## St. Charles Parish

Building Name	Year Built/ Remodeled	Number of Floors	Total RSF	Total RSF Available	Percent Leased	Quoted Rental Rate	Largest Contiguous Block Available	Sublease Space Available
Kongsberg Maritime Building 145 James Drive E.	2016	3	84,000	0	100.00%	N/A	0	0
Two James Park 120 Mallard St.	1981	3	53,520	3,992	92.54%	\$17.50-\$18.50	2,710	0
One James Park 100 James Dr.	1980	3	43,055	0	100.00%	\$17.50-\$18.50	0	0
Campus Centre 104 Campus Dr.	1982	2	26,066	0	100.00%	\$17.50-\$18.50	0	0
160 James Dr. E.	1981	1	25,772	5,886	77.16%	\$16.50	5,886	0
Five James Park 110 James Dr. W.	1983	2	24,018	7,388	69.24%	\$16.00	7,388	0
TOTAL CLASS A			256,431	17,266	93.27%	\$18.24		0





# Greater Baton Rouge Office Market Overview

Corporate Realty, Inc., opened a full-service office in Baton Rouge in 2022.

This new office is located in One American Place at 301 Main Street and is led by Branon W.

Pesnell, CCIM, SIOR. Our collaborative, expert team in Baton Rouge is pleased to share the following overview of its office market. For more information, please call 225.228.3750.

Office space utilization has become a more important measure of true office occupancy throughout the country, and Baton Rouge is no different than the rest of the country in this respect. Throughout 2022 and into the first quarter of 2023, companies in Baton Rouge continued to allow employees to work from home or a hybrid home/office model. It is estimated that approximately 60% of leased office space is being utilized full time by companies and employees. However, the occupancy rate (space actually under lease) is approximately 72%. While companies are pushing employees to come back to the office, many employees are still pushing for the right to work remotely at least part of the time.

As a result, Baton Rouge has continued to see a decline in mid-/high-rise office occupancy rates, which has been the case since 2015. The current occupancy rate for Class A/B/C office multi-story space stands at 72.43% and is expected to fall further when the 2023 Greater Baton Rouge Association of Realtors - TRENDS report is generated in April. In contrast, occupancy rates for suburban garden office condos have been on the rise. Currently, the occupancy rate for garden office product hovers around 95%, indicating a transition of tenants from traditional mid-/high-rise space to more convenient suburban garden office.

Office leasing activity in 2022 remained slow, with most of the activity coming from existing tenants downsizing or relocating to take advantage of more favorable terms. There was little activity with new tenants entering the marketplace, so there were few notable deals. However, the start of 2023 has shown an increase in activity from both existing and new tenants.

Office rents in the city have remained relatively stable for the past 10 years. This is a tenant-favored market. The average Class A rent is approximately \$22.00 psf while the average rental rate for Non-Class A product remained at \$15.00. However, operating expenses and construction costs for tenant improvements are on the rise. Landlords are seeing the net rental revenue being compressed from all the rising costs, but if costs continue to rise, higher rents are inevitable.



**BRANON W. PESNELL**  
CCIM, SIOR

Associate Broker and  
Director, Baton Rouge  
market







OFFICE AND RETAIL LEASING  
AND BROKERAGE



INVESTMENT BROKERAGE



TENANT REPRESENTATION



LAND ACQUISITION,  
ASSEMBLAGE,  
AND DISPOSITION



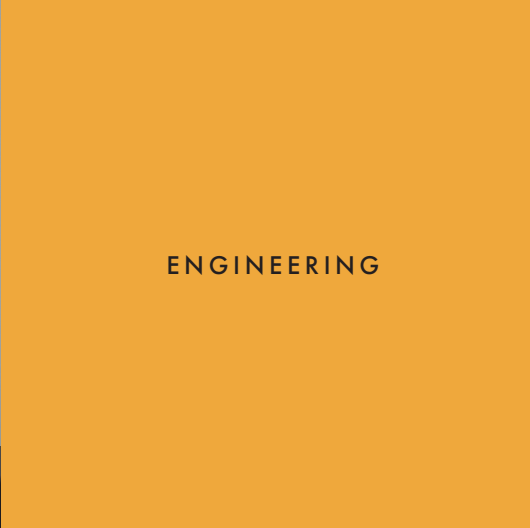
PROPERTY MANAGEMENT



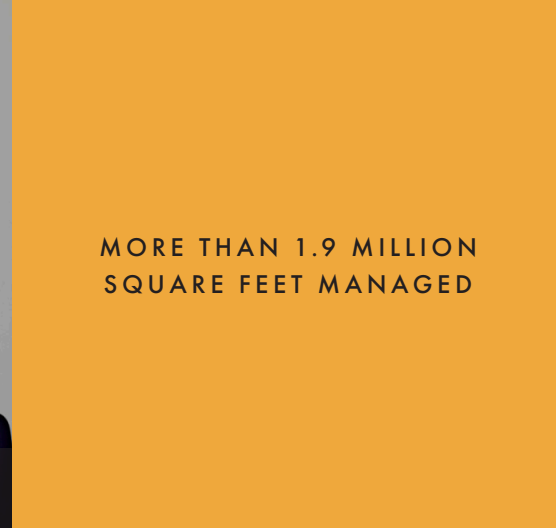
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